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Attorney for the CSI

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
MONTANA STATE AUDITOR**

IN THE MATTER OF)	CASE NO. INS-2012-210
)	
BANKERS LIFE AND CASUALTY)	CONSENT AGREEMENT AND FINAL
COMPANY,)	ORDER
)	
Respondent.)	
)	
)	

This Consent Agreement and Final Order (Agreement) is entered into by the Office of the Commissioner of Securities and Insurance, Montana State Auditor (CSI), pursuant to the authority of the Montana Insurance Code, Mont. Code Ann. § 33-1-101 et seq. (Code), and Bankers Life and Casualty Company (Respondent).

RECITALS

WHEREAS, the CSI received a consumer complaint regarding an annuity produced from Respondent's Billings branch;

WHEREAS, the CSI opened an investigation regarding the complaint;

WHEREAS, as a result of that investigation, the CSI alleged that Respondent's applications contained false information, including false statements concerning applicants' medical histories and smoking habits, falsified signatures, incorrect beneficiaries, unsigned

applications, incorrect reasons for purchasing annuities, and incorrect Social Security numbers, all of which are violations § 33-1-1202(3);

WHEREAS, the CSI alleged that Respondent failed to utilize a system for conducting periodic reviews of the insurer's records that are reasonably designed to assist in detecting and preventing violations of the Montana Suitability in Annuity Transactions Act, a violation of § 33-20-805(4);

STIPULATIONS AND CONSENTS

I. Without admitting or denying any of the CSI's allegations, Respondent stipulates and consents to the following:

A. Within ten days from the execution of this Agreement, Respondent shall pay a \$50,000 fine to the state of Montana. The fine should be made payable to the "State of Montana" and sent to the CSI, c/o Brett O'Neil, Attorney, 840 Helena Avenue, Helena, MT 59601.

B. Within ten days from the execution of this Agreement, Respondent shall make full restitution in this matter. The detailed restitution amount is attached to this agreement as Exhibit A.

C. Respondent shall perform a Market Assurance Program (MAP) review of the Billings satellite office and make any changes necessary to retrain its staff. Following this evaluation, the Respondent shall identify any other issues similar to the ones raised in this Agreement and take corrective action. Respondent shall conduct the Billings MAP review before December 31, 2013, and send a report to the CSI within 60 days of completion of the review detailing any other similar issues. No fine shall be imposed for similar violations

reported to the CSI as a result of this review. The CSI may request restitution should it be necessary.

D. Respondent shall comply with the terms and conditions of this Agreement, the Code, and all other regulations of the state of Montana.

E. Respondent fully and forever releases and discharges the CSI from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

F. Respondent specifically and affirmatively waives a contested case hearing and all rights to appeal under the Montana Administrative Procedure Act, Mont. Code Ann. § 2-4-101 et seq., and elects to resolve this matter on the terms and conditions set forth herein.

II. All parties to this Agreement stipulate and consent as follows:

A. The Commissioner and the CSI have jurisdiction over the subject matter of the above-entitled proceeding.

B. This Agreement is entered without adjudication of any issue, law, or fact. It is entered into solely for the purpose of resolving the CSI's allegations and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against Respondent, including limit or create liability of Respondent, or limit or create defenses of Respondent, to any claims.

C. This Agreement constitutes the entire agreement between the parties and no other promises or agreements, either express or implied, have been made by the CSI or by any member, officer, agent or representative of the CSI to induce Respondent to enter into this Agreement.

D. This Agreement may not be modified orally, and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

E. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

F. This Agreement shall be effective upon signing of the Final Order.

G. The Agreement is a public record under Montana law and as such may not be sealed or otherwise withheld from the public.

DATED this 1st day of October, 2013

**COMMISSIONER OF SECURITIES AND
INSURANCE, MONTANA STATE AUDITOR**

By: 
BRETT O'NEIL
Attorney

DATED this 24th day of OCTOBER, 2013

BANKERS LIFE AND CASUALTY

By: William D. Fitch Jr

Its: SVP, REGULATORY AND GOVERNMENT AFFAIRS

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and § 33-1-101 et seq.,
and upon review of the foregoing Consent Agreement and good cause appearing,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the CSI and
Respondent is adopted as if set forth fully herein.

DATED this 31st day of October, 2013.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By: 
ADAM SCHAFER
Deputy Commissioner

cc: Bankers Life and Casualty Company
111 E. Wacker Dr., Ste. 2100
Chicago, IL 60601

EXHIBIT A

Bankers Life Restitution Schedule

Policyholder:	Total Restitution Amount:	Amount Already Refunded to Policyholder:	Amount Still Due Policyholder:
M.F.	\$25,000.00	\$25,000.00	
L.H.	\$ 1,589.23	\$ 252.53	\$1,336.70
H.H.	\$ 744.55	\$ 36.45	\$ 708.10
H.H.	\$ 929.18		\$ 929.18
S.H.	\$ 722.16		\$ 722.16
D.F.	\$ 3,955.33	\$ 1,260.49	\$2,694.84
J.K.	\$ 396.20	\$ 396.20	
J.K.	\$ 1,175.97		\$1,175.97
Total:	\$34,512.62	\$26,945.67	\$7,566.95